THE HONOURABLE SHRI JUSTICE R.SUBHASH REDDY

WRIT PETITION No. 18335 OF 2000

Dated 20th June, 2007

Between:

K.Raja Rao and others.

…Petitioners

And

The District Collector, Guntur and others.

…Respondents.

ORAL ORDER:

In this writ petition, petitioners 10 in number, seek directions to the respondents 2 and 3 to pay the loan amount of Rs.10.00 lakhs as per the letter dated 18.12.1999 issued by the Commissioner of Industries, Hyderabhad under the Prime Minister Rojgar Yojana Scheme.

It is the grievance of the petitioners that the petitioners are unemployed youth and having regard to the policy notified by the Government, the Commissioner of Industries considered the applications of the petitioners under Prime Minister Rojgar Yojana Scheme and recommended for disbursement of the loan and in spite of the same, the loan is not being disbursed.

In the counter affidavit filed by the respondents, it is stated that the 3rd respondent-Bank considered the grant of loans under the said scheme to 22 individuals including the sister of petitioners 1, 2 and 8 as approved by the Selection Committee for the year 1999-2000. It is further stated that the scheme, which was in vogue during the year 1999, was closed on 31.10.2000 and no further funds are available for consideration of applications for sanction of loans under the PMRY Scheme for the year 1999-2000. Merely because applications of the petitioners are forwarded by the Commissioner for grant of loan by the Commissioner, petitioners are not automatically entitled for grant of loan. In the judgment in **U.P.Financial Corpn. V. Naini Oxygen & Acetylene Gas Ltd.**[1], relied on by the learned counsel for the respondents, it is held by the Honourable Supreme Court that in commercial matters, decision of the body authorized to decide, should not normally be interfered

with by court unless mala fides are shown.

In this case, no mala fides are alleged by the petitioners and it is submitted that as per the scheme only an amount of Rs.1.00 lakhs is permissible to be sanctioned to each applicant individually. But, by obtaining permission by the first petitioner, sanction was sought for all the petitioners for purchase of a bus jointly. In that view of the matter and in view of the decision of the respondents negativing the request of the petitioners for grant of loan, no direction can be given by way of mandamus.

The writ petition is devoid of any merits and is dismissed accordingly. No costs.

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20-6-2007

R.SUBHASH REDDY, J.

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[1] (1995) 2 SCC 754